

OVERSIGHT BOARD AGENDA STAFF REPORT

TO: Honorable Chair and Members of the Oversight Board

FROM: Michael Huntley, Staff liaison from the Successor Agency to the former City of Montebello Community Redevelopment Agency

SUBJECT: That the Oversight Board receives the All Fund Due Diligence Review report, convene a public comment session and reaffirm the date to vote on said matter.

DATE: December 19, 2012

BACKGROUND

The Montebello Successor Agency (“**Successor Agency**”) is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health & Safety Code Section 34170), including winding down the affairs of the former Community Redevelopment Agency of the City of Montebello.

Pursuant to Health & Safety Code Section 34179.5, the Successor Agency must complete certain audits and reviews of its funds and assets, including the Low and Moderate Income Housing Fund Due Diligence Review report and the All Fund Due Diligence Review report, the later of which is being presented to the Oversight Board at this meeting.

Pursuant to Health & Safety Code Section 34179.6(a), by December 15, 2012, the results of the Successor Agency’s All Fund DDR report must be provided to the Montebello Oversight Board (“**Oversight Board**”) and other public agencies.

On December 11, 2012 the Oversight Board held a Special Meeting receiving the draft All Fund Due Diligence Review report. As part of the Oversight Board’s action, the Board scheduled another Special Meeting for the 19th of December to receive the Final All Fund Due Diligence Review Audit report and convene the public comment session. The Oversight Board also took action to cancel the regularly schedule Oversight Board meeting on January 2, 2013 and schedule a Special Meeting on January 7th to vote on the Final All Fund Due Diligence Review Audit report. Successor Agency staff has since forwarded the Final All Fund Due Diligence Review Audit report to the Oversight Board for review and consideration.

Pursuant to Health & Safety Code Section 34179.6(b), upon receipt of the All Fund DDR, the Oversight Board will have up to 30 days to review the draft All Fund DDR and must convene a public comment session at least five business days before the Oversight Board votes on whether to approve or reject the All Fund DDR, but no later than January 15, 2013. The Oversight Board has scheduled all of the necessary meetings to comply with the January 15, 2013 deadline.

The Health & Safety Code does not require that the Successor Agency directed staff to provide the results of its All Fund DDR to the Oversight Board as it did with the Low and Moderate

Income Housing Fund Due Diligence Review report. Staff has provided a copy of the draft report to the members of the Successor Agency.

DISCUSSION

The intent of this Special Meeting is for the Successor Agency staff to present the Final All Fund Due Diligence Review report to the Oversight Board, convene a public comment session for a period of five business days, and reaffirm the date to vote on this matter. As the Oversight Board is aware, Successor Agency staff is working through the Due Diligence Review procedures as required in AB1484. Staff apologizes for the short time frame for review of the draft audit report, but due to the statutory deadlines established in AB1484, staff continues to make every effort to comply with the new requirements. Successor Agency staff has since forwarded the Final All Fund Due Diligence Review Audit report to the Oversight Board for review and consideration.

RECOMMENDATION

It is staff's recommendation that the Oversight Board;

1. Receive the Final All Fund Due Diligence Review Audit report;
2. Convene a public comment session for a period of five business days; and
3. Reaffirm the date to vote on the All Fund Due Diligence Review report.

ATTACHMENTS

Final All Fund Due Diligence Review report
Resolution